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Message Text

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ORIGIN SS-15

INFO OCT-01 ISO-00 SSO-00 CCO-00 /016 R

66011
DRAFTED BY:E:MMINNIES:CB
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S/S:JHOGANSON
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O 062332Z AUG 76 ZFF4
FM SECSTATE WASHDC
TO USDEL SECRETARY IMMEDIATE

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FOR UNDER SECRETARY ROGERS

FOL RPT PARIS 22824 ACTION SECSTATE INFO EC BRUSSELS BORDEAUX
GENEVA MTN GENEVA 05 AUG QUOTE

IMITED OFFICIAL USE SECTION 01 OF 02 PARIS 22824

DEPT PASS AGRICULTURE

E.O. 11652: N/A
TAGS: EAGR, ETRD, FR
SUBJECT: POULTRY/COGNAC
REF: PARIS 22655

1. SUMMARY: GOF DEMARCHE MADE TO EMBASSY AUGUST 4 ON COGNAC, IN WHICH ACTION TAKEN BY USG IN PUBLISHIRG IN FEDERAL REGISTER NOTICE OF INTENT TO INCREASE DUTY ON COGNAC WAS DESCRIBED AS RECEIVED BY GOF WITH GREAT DISTRESS, AND AS CONTRARY TO DEVELOPING SPIRIT OF FRANCO/AMERICAN RAPPORT AND JOINT EFFORTS TO RESOLVE PROBLEMS ON INTERNATIONAL ECONOMIC SCENE. THIS ACTION POSES DIFFICULT POLITICAL PROBLEM FOR GOF AND, PENDING MORE COMPLETE ANALYSIS OF SITUATION, GOF RESERVES FULLY ITS POSITION IN THIS MATTER. NO PUBLIC
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OUTCRY AS YET, BUT IT CAN BE EXPECTED. PRESS

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GUIDANCE REQUESTED.

2. ON AUGUST 4 THE EMBASSY'S MINISTER-COUNSELOR FOR ECONOMIC AND COMMERCIAL AFFAIRS WAS SUMMONED TO THE FOREIGN OFFICE BY HENRI FROMENT-MEURICE, DIRECTOR OF ECONOMIC AND FINANCIAL AFFAIRS, TO RECEIVE GOF DEMARCHE CONCERNING THE NOTICE OF INTENTION WHICH HAD BEEN PUBLISHED IN THE FEDERAL REGISTER CONCERNING COGNAC.

3. TO UNDERLINE THE SERIOUSNESS OF THE SITUATION, FROMENT-MEURICE HAD ANOTHER OFFICER PRESENT (AS HE HAD NEVER DONE BEFORE IN THE PAST TEN MONTHS) TO TAKE NOTES WHILE HE EXPRESSED IN MEASURED BUT EXPLICIT TERMS HIS GOVERNMENT'S GREAT DISTRESS CONCERNING THE PUBLICATION OF THIS NOTICE. HE SAID NEWS OF THIS PUBLICATION HAD BEEN RECEIVED WITH MUCH REGRET, THAT IT WAS NOT AT ALL A GOOD THING FOR FRANCO-AMERICAN RELATIONS, AND WAS NOT AT ALL IN KEEPING WITH THE DEVELOPING SPIRIT OF FRANCO-AMERICAN RAPPORT. HE SAID THE GOF WAS THE MORE DISTRESSED BY THIS ACTION, SINCE IT WAS TAKEN DURING A VERY SENSITIVE PERIOD, AT THE VERY MOMENT WHEN EARNEST FRANCO-AMERICAN EFFORTS WERE BEING MADE TO RESOLVE PROBLEMS ON THE INTERNATIONAL ECONOMIC SCENE (THE REFERENCE WAS TO CURRENT DISCUSSIONS WITH RESPECT TO THE FUTURE OF CIEC).

4. FROMENT-MEURICE OBSERVED THAT THE GOF IS AS A RESULT FACED WITH A VERY DIFFICULT POLITICAL PROBLEM WITH PARTICULAR REGARD TO THE COGNAC GROWERS IN THE BORDEAUX AREAS AND IT WILL BE DIFFICULT TO EXPLAIN TO THEM WHY THE USG APPEARS TO BE RETALIATING AGAINST FRANCE FOR ACTIONS THE EEC HAS FAILED TO TAKE.

5. HE ADDED THE GOF HAS NOT YET HAD TIME TO ANALYZE THE SITUATION, BUT WAS INFORMING US NOW THAT IT WAS RESERVING ITS POSITION FULLY PENDING THE RESULTS OF ITS STUDY.

6. MINECON EXPLAINED THAT, BY COINCIDENCE, AT SAME MOMENT THIS SUBJECT WAS BEING DISCUSSED BY FROMENT-
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MEURICE, ANOTHER U.S. EMBASSY OFFICER WAS IN THE OFFICE OF MR. DEMOREL, DIRECTOR OF FOREIGN ECONOMIC RELATIONS FOR THE MINISTRY OF FOREIGN TRADE, EXPLAINING TO ONE OF DEMOREL'S COLLEAGUES, IN DEMOREL'S ABSENCE, THE IMPLICATIONS OF THIS ACTION AND INQUIRING ABOUT GOF INTENTIONS. (REFTEL). HE CALLED ATTENTION TO THE AUGUST 6 DEADLINE IN THE TEXT OF THE NOTICE IN THE FEDERAL REGISTER, WHICH THE EMBASSY HAD JUST RECEIVED

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ON AUGUST 4, AND ADVISED FROMENT-MEURICE OF THE EMBASSY INTERPRETATION THAT A PHONE CALL FROM THE FRENCH EMBASSY IN WASHINGTON TO STR SHOULD SUFFICE AS NOTICE OF ANY FRENCH INTENTION TO APPEAR AT THE HEARING SCHEDULED FOR SEPTEMBER 1. HE ASKED IF FROMENT-MEURICE HAD ANY IMPRESSION ABOUT THE PROSPECTS FOR ANY MODIFICATION OF THE FRENCH SANITARY REGULA-TIONS FOR POULTRY, WHICH HAD EARLIER BEEN MENTIONED AS ONE OF THE POSSIBLE ACTIONS WHICH MIGHT JUSTIFY

ONTINUANCE OF THE SEVENTEEN DOLLAR PRICE BREAK. FROMENT-MEURICE REPLIED THAT SUCH A CHANGE WOULD BE EXTREMELY DIFFICULT: AT LEAST THREE MINISTRIES ARE INVOLVED, AND IN ANY CASE A PROPOSAL TO CHANGE REGULATIONS AGAINST THE INCLUSION OF ARSENIC IN POULTRY FEED WOULD NOT BE ONE FOR WHICH ANY ADVOCATE ON THE FRENCH SIDE COULD BE FOUND, AS INTERESTED PARTIES IN THE GOF HAVE ALREADY DISCOVERED. HE ADDED THATTHIS REGULATION IS IN NO SENSE A SUBTERFUGE FOR PROTECTIONISM, BUT REFLECTS A GENUINE AVERSION TO IMPORTING POULTRY PRODUCTS WHICH MIGHT CONTAIN ARSENIC, AND THE HEALTH MINISTRY IS PARTICULARLY SENSITIVE TO TAMPERING WITH SUCH REGULATIONS.

7. MINECON REHEARSED BACKGROUND OF THIS SITUATION, GOING BACK TO AN UNDERSTANDING IN 1974 THAT THIS CONCESSION ON COGNAC WOULD BE MADE FOR A TWO-YEAR PERIOD IN EXCHANGE FOR A CONCESSION ON IMPORT OF POULTRY PRODUCTS INTO THE EEC -- THE LATTER BEING A CONCESSION WHICH WAS NEVER FORTHCOMING. THE TWO YEARS HAD NOW RUN AND A NOTICE OF INTENT TO REMOVE THE PRICE BREAK HAD BEEN PUBLISHED ACCORDINGLY.

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8. COMMENT: FACT IS THAT, AS WAS SPELLED OUT IN THE AMBASSADOR'S LETTER OF JULY 15 TO AMBASSADOR DENT, WE FIND IT DIFFICULT TO EXPLAIN THIS ACTION IN A WAY WHICH WILL APPEAR FAIR OR REASONABLE TO THE FRENCH PUBLIC. PLACING THE MATTER IN THE CHICKEN WAR CONTEXT LOOKS AS IF WE ARE PENALIZING FRANCE FOR A COMMUNITY DEFICIENCY FOR WHICH FRANCE ALONE CANNOT BE HELD RESPONSIBLE. AS OF THE MORNING OF AUGUST 5, THIS MATTER HAS STILL NOT HIT THE FRENCH PRESS, BUT WE ARE SURE TO BE GETTING INQUIRIES SHORTLY. IN THAT EVENT, WE WILL TAKE THE LINE SET FORTH IN PRESS GUIDANCE IN STATE 193532, JUST RECEIVED. WE ALSO PROPOSE TO REFER TO WASHINGTON ANY ADDITIONAL INQUIRIES CONCERNING BACKGROUND AND POLICY CONSIDERATIONS INVOLVED IN THIS DECISION.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOSEC, DEMARCHE, CUSTOMS DUTIES, POULTRY, ALCOHOLIC BEVERAGES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE195942
Document Source: CORE
Document Unique ID: 00
Drafter: E:MMINNIES:CB
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760304-0516
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760876/aaaacomr.tel
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